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ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS: FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS

Death and disability benefits

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on compensation for death or injury sustained by contingent troops in the service of United Nations peace-keeping operations (A/49/906 and Corr.1). The present report is prepared in pursuance of General Assembly resolution 49/233 A of 23 December 1994. During its consideration of the report, the Advisory Committee was provided with additional information.

2. In paragraph 2 of his report, the Secretary-General indicates that:

> "Although the earliest Staff Rules (1948) provided for compensation to civilian staff injured or killed in the course of performing their duties for the Organization, it was not until 1956, in connection with the financing of the United Nations Emergency Force (UNEF), that a position was formally stated regarding the death, injury or illness of troops attributable to their service with the United Nations."

3. In paragraph 40 of the regulations for UNEF (ST/SGB/UNEF/1), it is provided that:

> "In the event of death, injury or illness of a member of the Force, the respective State from whose military services the member has come will be responsible for such benefits or compensation awards as may be payable under the laws and regulations applicable to service in the armed forces of the State."

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As indicated in paragraph 3 of the report of the Secretary-General, the current system applies the same procedure.

4. In section III of its resolution 49/233 A, the General Assembly requested the Secretary-General to present concrete proposals on possible revisions to the current compensation arrangements for compensation for death and disability based on the principles of:

(a) Equal treatment of Member States;

(b) Compensation to the beneficiary that is not lower than reimbursement by the United Nations;

(c) Simplification of administrative arrangements to the extent possible;

(d) Speedy settlement of claims for death and disability.

5. In paragraphs 4-24 of his report, the Secretary-General outlines the main features of the current system of compensation and provides information on five options plus an additional option which has been put forward by the Secretary-General.

6. The Advisory Committee received information on casualty cases in peace-keeping missions from 1992 to 1994 and death and disability claims processed by the Department of Peace-keeping Operations of the Secretariat (see annexes I and II to the present report). However, the Advisory Committee requested but did not receive information on the amount budgeted for death and disability for this period and the amount paid out.

7. The Advisory Committee notes from annex I that owing, inter alia, to the reasons mentioned in the Secretary-General's report, the cases processed so far for the period 1992-1994 are very few. However, in this connection, the Advisory Committee was informed that some Member Governments do not submit claims. As for annex II, it is difficult to compare disability cases on the basis of the wide range presented and the different nature of the disabilities. In addition, the Advisory Committee was informed that global information on claims presented before 1992 was not available.

8. Upon inquiry, the Advisory Committee was informed that seven staff members of the Field Administration and Logistic Division of the Secretariat work part-time on claims for death and disability. In view of the outstanding number of claims (see para. 7 above), the Advisory Committee requests the Secretary-General to take the necessary measures to expedite the processing of claims. The Secretary-General should also ensure the provision of the necessary guidance for proper submission and handling of claims both for Member States and United Nations personnel at Headquarters and in the field.

9. The first option presented by the Secretary-General is similar to the current system except that it would provide for the payment of a minimum level of compensation for death and disability. According to the Secretary-General, this option, like the current system of compensation, does not meet all of the principles enumerated by the General Assembly in its resolution 49/233 A.

10. Under option 2, awards would be made in addition to anything else that might be provided by Member States. The Advisory Committee points out that this would be a departure from the current practice of paying reimbursement for compensation paid by troop-contributing countries. Fixed amounts would be paid directly either to the injured party or a beneficiary designated by the injured party in the event of death. In paragraph 16 of his report, the Secretary-General proposes an amount of $50,000 in case of death. The budget of each peace-keeping mission would include an estimate for death and disability payments during the financial period. To facilitate settlement of any future award, each contingent member would be required to designate a beneficiary upon arrival in the mission area. Amounts not utilized would be credited back to Member States. The Advisory Committee points out that the legal implication of requiring a soldier without direct contractual arrangements with the United Nations to designate a beneficiary upon arrival in the mission area and of providing for payments directly to individuals needs to be clarified.

11. With regard to the maximum amount of $50,000, the Advisory Committee notes that this amount is the same as the amount used for military observers. If it is used there should be a saving by comparison with current practice; information provided to the Advisory Committee in annex II indicates that an average amount of $104,134 was paid in respect of 159 claims relating to death (minimum of $10,308, maximum of $663,116).

12. The Advisory Committee notes that option 3 is similar to option 2. While in option 2 the budget of each peace-keeping operation would include an estimate for death and disability payments and amounts not utilized would be credited back to Member States, under option 3 the amounts from each mission would be paid into a global fund and all unused monies would remain in the fund to be carried forward. In this connection, the Advisory Committee recalls paragraph 89 of its report A/49/664 on administrative and budgetary aspects of the financing of the United Nations peace-keeping operations in which the Committee requested the Secretary-General to explore the possibility of replacing the present system of payments with the establishment of insurance schemes. This request has not been addressed.

13. In connection with the source of funding, the Advisory Committee was informed that the current estimation of $40,000 per soldier per annum multiplied by 1 per cent of authorized troop strength introduced in October 1994 would be continued. The Advisory Committee did not receive an analytical justification for this factor. Moreover, in view of the fact that the amount to be claimed under options 2 and 3 is projected to be less than the amount claimed under the current system (see A/49/906, annex II), the rationale for maintaining the same estimate remains to be justified. On the other hand, the current system does not automatically result in claims being submitted on every occasion, whereas under the proposals payments would be made automatically. In any case, the Advisory Committee notes that the 1 per cent factor has only recently been introduced. Should either option 2 or 3 be accepted by the General Assembly, it would be the intention of the Advisory Committee to keep this factor under review.

14. With regard to the proposal to retain unused monies in a global fund, the Advisory Committee notes that it represents a new element not previously

discussed and would be a departure from the concept of separate special accounts for each peace-keeping operation. Actual details on how the mechanism would operate have not been provided. The purpose of this proposal is to provide the Organization with a degree of protection against catastrophic loss in any one operation. The Advisory Committee points out that this element was not addressed in General Assembly resolution 49/233 A. Moreover, the Advisory Committee points out that under current conditions (including the financial crisis of the United Nations), establishing a fund, as proposed, to provide for catastrophic loss, would not, in and of itself, result in available cash.

15. As noted by the Secretary-General, options 2 and 3 have much in common with an insurance scheme. As such, if adopted, much remains to be clarified with respect to the administration of the scheme and procedures for payment of awards. These could be addressed in the report containing detailed proposals which the Secretary-General would submit after the General Assembly has given further policy guidance (see para. 20 below).

16. Option 4 would utilize the current arrangement for military observers and civilian police. The Advisory Committee points out, however, that unlike military observers and civilian police, contingent personnel have no direct contractual arrangements with the United Nations (see para. 10 above). Under this arrangement, maximum compensation for death, illness or injury of a military observer or civilian police officer is $50,000 or two years' salary, whichever is higher. Since payments under this option would be made directly to individuals, it is the opinion of the Secretary-General that this option would satisfy the principle that compensation to the beneficiary is not lower than reimbursement by the United Nations. However, the Secretary-General also points out in paragraph 21 of his report that "this option does not meet the first criterion set by the General Assembly resolution".

17. In option 5 the current system of compensation would be retained except that a maximum level of compensation would be payable to the troop-contributing country in respect of death or injury of a soldier belonging to that country. The Secretary-General's report indicates in paragraph 22 that "this option will not provide equal treatment of Member States; it will not simplify administrative matters, nor will it speed up settlement of claims".

18. In addition to the above options, which according to the Secretary-General addresses the parameters enumerated in resolution 49/233 A, the Secretary-General has presented a sixth option. Under this option an amount per soldier per month would be paid to a troop-contributing country as a risk factor so that the national authorities would be able to provide suitable compensation for death or injury of their soldiers while on active duty with the United Nations. The idea would be similar in practice to what is currently being done with independent civilian contractors. The amount would be provided in lieu of any other reimbursement by the United Nations for service-incurred death or disability and would free the Organization of all administrative responsibility. However, the Advisory Committee notes the statement of the Secretary-General in paragraph 24 of his report that "it is perceived that this option does not really accord equal treatment to Member States or to their soldiers".

19. In reviewing the current system and the six options referred to above, the Advisory Committee identified issues on which the General Assembly needs to provide further guidance on whether payments should be in the form of an allowance, a reimbursement or an award and whether they should be made to Member States or individuals directly; the amount to be paid by the United Nations; the status of the additional allowance mechanism put forward by the Secretary-General in his additional option; and whether an insurance scheme should be established. In this regard, a necessary prerequisite is an understanding and agreement on the precise legal status of contingent personnel and of the nature of their legal, administrative and operational relationship with the Organization and their Government. The Fifth Committee may wish to seek appropriate legal guidance on this matter. Furthermore, in relation to the awards aspect of options 2 and 3, the question of whether awards should be paid at one universal rate regardless of national practice and/or origin remains to be clarified.

20. On the basis of the policy decisions to be taken by the General Assembly on these issues, the Secretary-General should be requested to draft and submit to the Assembly through the Advisory Committee a detailed proposal together with draft procedures for implementation and the administrative, legal and financial implications. The proposal, which should be formulated with the assistance of the Office of Legal Affairs of the Secretariat, should take into account comments made by the Advisory Committee above as well as such concerns as may be expressed by the Fifth Committee.

21. Pending the introduction of a new system, the Advisory Committee recommends that, without prejudice to whatever new procedures will be decided upon by the General Assembly, steps should be taken to improve the management of the current system so as to handle outstanding claims expeditiously. For example, there is a need for accurate and readily accessible data and a clear indication of the steps that are taken from the time a claim is submitted to the time of payment.

ANNEX I

Casualty cases in peace-keeping missions, 15 September 1995

Mission	Data from 1992 to October 1994									Total Cases	Data from 1992 to date		
	1992			1993			1994				Claims		
	Troops	Death	Disability	Troops	Death	Disability	Troops	Death	Disability		Paid a/	Certified b/	Pending c/
MINURSO	158	1	2	99	4	1	28	2		30			
ONUMOZ				6 195	13	10	4 443	12	14	49	3	2	7
UNIKOM	168		1	81	1	1	894	5	5	5			
UNAMIR							99	18	18	36	3		1
UNOMIL							65		1	1			
UNOSOM			3	22 383	106	250	18 775	44	89	492	21	40	117
UNDOF	1 126	3	65	1 130	2	45	1 026	3	5	123	2		25
UNFICYP	2 141	1	0	1 186	2	1	1 179		2	6	4		7
UNIFIL	5 451	6	22	5 235	5	26	5 204	7	47	113	17	35	100
UNPROFOR	14 062	24	172	23 610	49	489	36 524	73	376	1 183	5	17	36
UNTAC	15 153	22	17	15 008	61	38	0	—	—	138	17	4	20
Total	38 259	57	284	74 927	243	861	68 229	162	553	2 160	70	98	313

Source: Finance Management and Support Service and Field Administration and Logistics Division, Office of Planning and Support, Department of Peace-keeping Operations.

a/ Of this number, 40 cases relate to casualties which happened prior to 1992.

b/ Of this amount, 39 cases relate to casualties which happened prior to 1992.

c/ Of this number, 173 cases relate to casualties which happened prior to 1992.

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ANNEX II

Death and disability claims processed by the finance management and support service, Field Administration and Logistics Division, Department of Peace-keeping Operations, 1992 to date (15 September 1995)

(Amounts claimed in United States dollars)

Death

Mission	Number of cases within each range of amount: -10 000	-50 000	-100 000	-500 000	-1 000 000	-1 000 000<	Total claims received: No. case	Total claims received: Amount	Average amount per case	Lowest amount per case	Highest amount per case
ONUMOZ		7			2		9	1 581 813	175 757	37 508	653 116
UNAMIR		2					2	64 754	32 377	14 754	50 000
UNDOF	2 a/						2	10 785	a/	a/	a/
UNFICYP	4 a/						4	22 108	a/	a/	a/
UNIFIL		7	7	9	1		24	4 165 732	173 572	13 563	620 586
UNPROFOR		7		11			18	2 629 046	146 058	10 308	355 198
UNOSOM	1	63	3	15	1		83	6 874 851	82 830	13 633	593 900
UNTAC	-	15	-	1	1	-	17	1 208 232	71 072	17 449	558 476
	7	101	10	36	5	0	159	16 557 321	104 134	10 308	653 116

Disability

Mission	Number of cases within each range of amount: -10 000	-50 000	-100 000	-500 000	-1 000 000	-1 000 000<	Total claims received: No. case	Total claims received: Amount	Average amount per case	Lowest amount per case	Highest amount per case
ONUMOZ	1	2					3	84 000	84 000	4 000	50 000
UNAMIR							0				
UNDOF	8	9	2	6			25	1 413 776	56 551	3 060	205 070
UNFICYP	1	1	3	2			7	585 634	83 662	5 433	259 957
UNIFIL	56	22	25	20	4	1	128	12 809 667	100 076	650	2 394 707
UNPROFOR	30	6		3	1		40	1 819 901	45 498	1 973	884 189
UNOSOM	15	71	2	6	1		95	3 768 284	39 666	1 700	856 700
UNTAC	17	5	2	-	-	-	24	280 996	11 708	1 577	67 685
	128	116	34	37	6	1	322	20 762 258	64 479	650	2 394 707

(Footnotes on following page)

(Footnotes to table)

Source: Finance Management and Support Service and Field Administration and Logistics Division, Office of Planning and Support, Department of Peace-keeping Operations.

a/ Only burial and transportation expenses. These cases are not included in the analysis for fair comparison.